

Training Proposal for:

Studio Arts, Ltd.

Agreement Number: ET11-0108

Panel Meeting of: December 8, 2010

ETP Regional Office: **North Hollywood** Analyst: N. Weingart

PROJECT PROFILE

Contract Type:	Priority/Retrainee Priority/SB<100	Industry Sector(s):	Multimedia/Entertainment Manufacturing
Counties Served:	Los Angeles	Repeat Contractor:	☐ Yes ⊠ No
Union(s):	Motion Picture Editors Guild IATSE Local 700; The Animation Guild IATSE Local 839; Art Directors Guild IATSE Local 800; Motion Picture Set Painters & Sign Writers, IATSE Local 729; Affiliated Property Craftspersons, IATSE Local 44; and Make-Up Artists and Hair	Priority Industry:	⊠ Yes □ No

Turnover Rate %	Manager/ Supervisor %	
≤20%	≤20%	

Stylists Guild, IATSE Local 706

FUNDING DETAIL

Program Costs	Support Costs	Total ETP Funding
\$186,160	\$12,888	\$199,048

In-Kind Contribution		
\$106,469		

TRAINING PLAN TABLE

Job			Estimated	Range of Hours		Average	Post-
No.	(by Contract Type)	Type of Training	No. of Trainees	Class / Lab	CBT	Cost per Trainee	Retention Wage
1	Priority/Retrainee	Advanced	119	24-200	0	\$1,112	\$14.87
		Technology		Weighted Avg: 40			
2	Priority/Retrainee	Advanced	60	8-200	0	\$1,112	\$14.87
	<100 Technology			Weighted Avg: 40			

Minimum Wage by County: ETP minimum wage is \$14.87 per hour for Los Angeles County.		
Health Benefits: ⊠ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.		
Used to meet the Post-Retention Wage?: ☐ Yes ☐ No ☒ Maybe		
Participating employers may use health benefits to meet the Post-Retention Wage.		

Wage Range by Occupation		
Occupation Title	Wage Range	
Animator (2D, 3D)		
Art Director		
Artist (Graphic, Scenic, Title, Storyboard, Previs, Character Layout/Design)		
Compositor		
Costume Designer		
Editor		
Hairstylist		
Illustrator		
Makeup Artist		
Model Maker, Modeler		
Opaquer		
Ornamental Plasterer		
Production Designer		
Prop Maker		
Set Designer		
Set Decorator		
Technical Director (Computer Graphics, Lighting)		

INTRODUCTION

In this proposal, Studio Arts, Ltd. (Studio Arts) seeks funding for retraining as outlined below:

Studio Arts is a private training company for high-tech, computer-based software and hardware for the motion picture, television, and post-production industries. The school has three full-time employees. It is approved in the South Bay WIB's I-TRAIN system and is eligible to contract with ETP as a training agency. (Title 22, California Code of Regulations (CCR), Section 4426.)

Located in Los Angeles, Studio Arts was founded in November 2001 by Eric Huelsman and Stuart Chasmar to train animators for the motion picture industry; in 2008, Mr. Huelsman became sole owner. The company has participated in many training plans and programs including H1-B, WIA and ARRA with the City of Glendale; and with the Contract Services Administration Training Trust Fund, created through collective bargaining by IATSE and affiliate unions, for the benefit of employees. Studio Arts was the exclusive training subcontractor for two previous ETP contracts; performance on these contracts was 100% and 99.34% respectively.

The Studio Arts curriculum has been designed solely for the needs of production companies, guilds, and unions of the motion picture, television, and post-production industries. Studio Arts attracts trainees from commercial film companies; broadcast television animation and visual effects production companies; documentary film, television and video production companies; post-production services; and set design and production design companies.

In this proposal, Studio Arts is seeking ETP funds to retrain motion picture and television production employees in animation and special effects, using state-of-the-art computerized techniques. Participating employers will be ETP priority, multi-media entertainment companies that are subject to out-of-state competition under Title 22, CCR 4416. There will be no displacement of training funds available through the union trust.

PROJECT DETAILS

According Studio Arts, constant evolution of technology in the entertainment industry makes it imperative for employers to train workers in the most up-to-date digital software and hardware to improve their chances for continued employment. Training will also help companies secure work and promote growth to remain viable in the California economy. Above and beyond new and evolving technological changes, worldwide competition continues to challenge the California entertainment industry for business.

To meet these existing challenges, Studio Arts will train workers in various aspects of digital television and feature film production and post-production such as character design and animation; set design and construction; storyboarding; lighting; graphics; and special effects. The curriculum includes 2D and 3D animation; composting; digital art and drafting skills; Flash animation; graphic design and illustration; lighting, dynamics and VFX, modeling; motion capture, motion graphics, motion tracking; painting and textures; Toon Boom; and ZBrush. Training will equip workers with the most marketable skills, and benefit employers by significantly reducing the amount of time and money previously required to produce the same results, thereby giving them a competitive edge.

All training will take place at Studio Arts' facility in Los Angeles. This center-based training will provide access to employers who cannot take expensive equipment and staff out of production for training purposes; and for small businesses that often lack adequate in-house training facilities, equipment, and expert trainers. Training is customized and limited to workers from the

entertainment industry. School staff performs formal company assessments to ensure classes are customized to the needs of each employer and each trainee's skill level.

Marketing and Employer Recruitment

Studio Arts markets its training to employers through a variety of means including, but not limited to, informational meetings and seminars, conferences, magazine advertising, mailing brochures, as well as Internet, website, and e-mail promotion. Participating employers use their Human Resources departments and staff to assist in promoting the training.

Curriculum Development

The curriculum was designed to meet rigorous, specific employer needs. Studio Arts holds trade advisory meetings attended by visiting company representatives and industry experts who help develop curriculum that addresses immediate, short-term, and long-term industry and company employment needs. Training needs and curriculum content are also determined via interviews with individual company Human Resource staff, working supervisors, and frontline workers. Both live and email interviews and consultations are held with production management personnel and potential trainees to determine course content.

Retention

Retention is at least 90 consecutive days full-time with one employer. Full-time employment means 35 hours per week. Retention can also be 500 hours in 272 days with one or more employers.

Commitment to Training

Studio Arts represents that ETP funds will not displace participating employers' existing financial commitment to training, and anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. Studio Arts represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

"Core" participating employers have stated that they occasionally provide some basic training on their own, but lack the necessary operational overhead, space, equipment, software, and expert, in-house instructors to train their workers in ways that allow them to compete in a globalized production environment. Employers have shown their ongoing commitment to training by contributing staff time or organize the program and provide on-the-job reinforcement, providing technical upgrades at the workplace, and releasing some trainees during work time. Studio Arts supports, promotes and is committed to the training described in this proposal, but will endeavor to have employers increase their own financial commitment to continued training efforts.

Advanced Technology

Studio Arts is requesting the ETP Advanced Technology reimbursement of \$26 per hour for the entire curriculum based on the cost of instructor time, equipment, software, books, and related materials.

Studio Arts' training will be delivered in a classroom equipped with state-of-the-art, production-ready equipment and software intended to provide skills for professionals to do production-ready work. This equipment and software are expensive to purchase, operate, and maintain, and require skilled professionals to train at the skill level expected in the industry. A typical

computer outfitted with the software needed for training costs in excess of \$6,000. Additionally, the curriculum is taught by working industry experts whose rate of pay often exceeds \$100 per hour. And, the highly technical material necessitates small classes of no more than 10 students per trainer, which also drives up the cost. Studio Arts' normal rates, as shown on its website, are \$50 per training hour which, in and of itself, exceeds the \$26 per hour ETP Advanced Technology reimbursement rate.

Support Costs

Studio Arts will be making significant efforts to market this training proposal, as a recruitment tool. They will also be matching employer needs to the Curriculum, which was designed in consultation between Studio Arts and various industry group advisors. (See discussion of marketing and curriculum on the previous pages.)

The pertinent regulation allows up to 8%, and even up to 12% for new-hire training, for recruitment and assessment of employer-specific job requirements. (Title 22, CCR, section 4412 (a).) Staff believes Studio Arts has provided sufficient justification for support costs at the 8% level.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal and Advanced Technology reimbursement.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

N/A

Studio Arts, Ltd. ET11-0108

Exhibit B: Menu Curriculum

Class/Lab Hours

Job Number 1: 24-200 Job Number 2: 8-200

Trainees may receive any of the following:

ADVANCED TECHNOLOGY

- 2D Animation
- 3D Animation
- Composting
- Digital Art Department
- Digital Drafting
- Flash Animation
- Graphic Design and Illustration
- Lighting, Dynamics and VFX
- Modeling
- Motion Capture
- Motion Graphics
- Motion Tracking
- Painting and Textures
- Toon Boom
- ZBrush

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of delivery method.

Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: Studio Arts, Ltd. CCG No.: ET11-0108

Reference No: 10-0028 Page 1 of 2

PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Asylum Visual Effects

Address: 631 Wilshire Blvd.

City, State, Zip: Santa Monica, CA 90401

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained under this Agreement: 25

Total # of full-time company employees worldwide: 70

Total # of full-time company employees in California: 70

Company: Cartoon Network Studios

Address: 300 N. Third Street

City, State, Zip: Burbank, CA 91502

Collective Bargaining Agreement(s): IATSE Local 839

Estimated # of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 96

Total # of full-time company employees in California: 96

Company: Film Roman (Starz Media)

Address: 2950 N. Hollywood Way

City, State, Zip: Burbank, CA 91505

Collective Bargaining Agreement(s): IATSE Local 839

Estimated # of employees to be retrained under this Agreement: 25

Total # of full-time company employees worldwide: 300

Total # of full-time company employees in California: 300

Company: Fox Television

Address: 5700 Wilshire Blvd., Suite 475

City, State, Zip: Los Angeles, CA 90036

Collective Bargaining Agreement(s): IATSE Locals 839 and 700

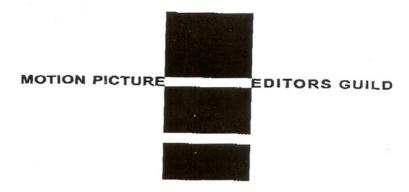
Estimated # of employees to be retrained under this Agreement: 30

Total # of full-time company employees worldwide: 400

Total # of full-time company employees in California: 400

Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: Studio Arts, Ltd. CCG No.: ET11-0108 Reference No: 10-0028 Page 2 of 2 PRINT OR TYPE IN ALPHABETICAL ORDER Company: Gentle Giant Studios, Inc. Address: 7511 N. San Fernando Road City, State, Zip: Burbank, CA 91505 Collective Bargaining Agreement(s): None Estimated # of employees to be retrained under this Agreement: 10 Total # of full-time company employees worldwide: 46 Total # of full-time company employees in California: 46 Company: Rhythm & Hues Studios, Inc. Address: 2100 East Grand Ave. City, State, Zip: El Segundo, CA 90245 Collective Bargaining Agreement(s): None Estimated # of employees to be retrained under this Agreement: 45 Total # of full-time company employees worldwide: 900 Total # of full-time company employees in California: 620 Company: Shadow Animation Address: 940 N. Mansfield Ave. City, State, Zip: Los Angeles, CA 90038 Collective Bargaining Agreement(s): None Estimated # of employees to be retrained under this Agreement: 10 Total # of full-time company employees worldwide: 68 Total # of full-time company employees in California: 68 Company: Address: City, State, Zip: Collective Bargaining Agreement(s): Estimated # of employees to be retrained under this Agreement: Total # of full-time company employees worldwide: Total # of full-time company employees in California:



07/31/2010

Lisa Zeno Churgin

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Martin Lovenstein 2nd Vice President

Diane Adlor Secretary

Rachel B. Igel Tressurer

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Mark Rathaus Nancy Richardson Gary Ritchie John Beltaire Roesch

Kevin D. Ross Jessica Rubin **Gregg Rudloff** A. Maddy Shirazi

Beth Stiller John Trask Dan Ward **Billy Weber**

Slancy Wolinsky Scott Young

To Whom It May Concern:

3232278775

The Motion Picture Editors Guild, I.A.T.S.E. Local 700, supports Studio Art's effort to participate in the ETP Program. Local 700 represents over 6000 member. many of whom would and already have benefited from the ETP Program.

Our industry is constantly undergoing technological changes so it is critical that our members utilize training to keep their skills up to date. They must continue their training as new systems and related software become available.

Studio Arts is already an approved facility and participant in the Motion Picture Editors Guild Training Program.

Should you have any questions or if there is anything we can do to facilitate Studio Art's participation in ETP, please let us know.

Sincerely,

Dieter Rozek

Training Coordinator

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THE ANIMATION GUILD and Affiliated Optical Electronic and Graphic Arts, Local 839 IATSE 1105 N. Hollywood Way, Burbank, CA 91505-2528 phone: (818) 845-7500 * fax: (818) 843-0300 http://www.animationguild.org • email: info@animationguild.org

July 28, 2010

To Whom It May Concern:

The Animation Guild Local 839 IATSE is pleased to participate in the newly proposed ETP training offered at Studio Arts. We feel that ETP training is a valued asset for our membership in order that they remain highly trained and competitive on the job.

Training initiatives such as that offered by the Employment Training Panel keeps our frontline artists at the ready for trends in industry that happen quickly and often. This past year Studio Arts has been training our members and we are pleased at the significant upgrades to their skills that have come as

If you have any questions regarding this matter please feel free to contact me at (818) 845-7500 or jeffm@animationguild.org.

Sincerely yours,

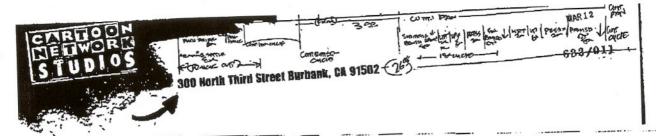
Jeffrey N. Massic Assistant to the

Business Representative





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TORS

July 30, 2010

Employment Training Panel 1100J Street, 5th Floor Sacramento, CA 95814

To whom it may concern,

The Art Directors Guild, IATSE Local 800 strongly supports Studio Arts participation in the State of California Job Training Reimbursement Program through the State's Employment Training Panel (ETP).

As Associate Executive Director of IATSE Local 800, a labor organization that represents nearly 2000 Art Directors, Illustrators, Set Designers, Graphic, Scenic and Title Artists who are employed in the film and television production industry throughout the State of California, I can assure you that we recognize the twofold benefits of this training program. Not only does it provide the Local's members with valuable up-to-date skills training that translates into real jobs and apportunities in the ever changing world of film and television production, it is also an important tool in keeping these entertainment jobs within the boundary of the State of California.

We have worked closely with Studio Arts in training our members for over seven years. Our members who've taken educational classes from Studio Arts had "rave reviews" for the quality and in-depth instruction that the high-end computer classes provided. Studio Arts training facility has proven to be a true winner for hundreds of our members with quality instruction translating into real jobs and opportunities for those that complete the training.

If you have any questions regarding the above, please feel free to call me at 818-762-9995.

Associate Executive Director

JM/sh

Scott Roth

11969 Vontura Boulevard, Second Floor • Studio City, CA 91604 • T (818) 762-9995 • F (818) 762-9997 • www.adg.org • Local 800, IATSE





IATSE Local 729 Motion Picture Set Painters & Sign-Writers

International Alliance of Theatrical Stage Employes, Moving Picture Technicians, Artists & Allied Crafts of the United States & Canada

1611 W. Burbank Boulevard Burbank, CA 91505-1314 918-842-7729 - Office - 818-846-3729 - Fax Web: www.lalocal729.com ROBERT D. DENNE, President GREGORY C. SMITH, Vice President GEORGE A. PALAZZO, Bus, Rep./Sec. Tres.

July 28, 2010

To Whom It May Concern:

The Motion Picture Set Painters and Sign-Writers - IATSE Local 729, endorses Studio Arts' proposal for providing Employment Training Panel training for studio employees of companies doing business in California.

It is our position that ETP training would be a tremendous asset for our membership in order that they remain highly trained and competitive on the job. Training initiatives such as that offered by the Employment Training Panel keeps our frontline artists at the ready for trends in industry that happen quickly and often.

The last few years Studio Arts has been training our members and we are pleased at the significant upgrades to their skills that have come as a result

Please contact me directly if you have any questions, at (818)842-7729.

Sincerely,

George Palazzo

Business Representative

Secretary-Treasurer



Affiliated Property Craftspersons

OF THE INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES AND MOVING PICTURE MACHINE OPERATORS OF THE UNITED STATES AND CANADA

July 29, 2010

To Whom It May Concern:

3232278775

IATSE Local 44 Affiliated Property Craftspersons supports the efforts of Studio Arts and its newly proposed training initiative through the State of California's Employment Training Panel.

It is our position that ETP training would be a tremendous asset for our membership in order that they remain highly trained and competitive in an industry that is rapidly evolving. Training initiatives such as that offered by the Employment Training Panel keeps our frontline artists at the ready for trends in industry that happen quickly and often.

This past year Studio Arts has been training our members and we are pleased at the significant upgrades to their skills that have come as a result.

If you have any questions regarding this recommendation, please feel free to contact me.

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Business Agent

IATSE Local 44

12021 RIVERSIDE DRIVE, NORTH HOLLYWOOD, CALIFORNIA 91607 (818) 769-2500 FAX NUMBERS: BUSINESS AGENT (818) 769-1739 ● SECRETARY-TREASURER (818) 769-4222 ● BUSINESS OFFICE (818) 769-3111



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MAKE-UP ARTISTS and HAIR STYLISTS GUILD LOCAL 706

828 N. Hollywood Way, Burbank, CA 91505 (818) 295-3933 • Fax (818) 295-3930 www.local706.org

7/29/2010

To Whom It May Concern:

My name is Tommy Cole and I am the Business Representative for Local 706, Makeup Artists and Hair Stylists Guild. These past several years I have worked closely with Studio Arts in their courses regarding computer programs in the art of Photoshop for our members in conjunction with the Contract Services training grants that are offered yearly through our collective bargaining contracts.

As a representative of our members, I am an advocate of continued training for the betterment of our crafts. With that said, I strongly support education for our members under the state funded ETP training program, and feel that Studio Arts would be our school of choice for implementation of these courses. Even though our local has not taken advantage of ETP training to date, many of our members could be eligible for state assistance, and Studio Arts curriculum would fit the bill exactly for those needs. Because of our past successful working relationship, I strongly support and recommend their facility for any training relevant to our craft.

If you have any questions, please feel free to contact me at my office at 818 295-3933, Ext. 100.

Sincerely,

Tommy Cole

Business Representative